

WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

2013 Wisconsin Act 11 [2013 Assembly Bill 15]

Work-Share Program

2013 Wisconsin Act 11 allows an employer to create a work-share program, under certain conditions, for eligible employees that are in a work unit of the employer. A person who is included in a work-share program may generally receive partial unemployment insurance (UI) benefits reflecting the reduction in the person's normal working hours. A person who is included in a work-share program generally need not meet the UI requirements related to availability and registration for work and the requirement to conduct a search for work.

A work-share program is a program that reduces the hours of the full-time employees or regular part-time employees in the work unit, in lieu of a total layoff of two or more of the employees. To qualify, the reduction must be uniform among the affected employees, and must constitute from 10% to 50% of the normal working hours. A work-share program must include at least 10% of the employees in the work unit and at least 20 employees in the work unit.

Prior to implementing a work-share program, the employer must submit a work-share plan to the Department of Workforce Development (DWD) for approval. The employer may modify the plan subject to DWD approval. The employer must certify that the plan is in compliance with all employer obligations under applicable federal and state laws. The employer must maintain coverage under any defined benefit or defined contribution retirement plan and any health insurance coverage that the employer provides to the employees in a work-share program. The total time that a work-share program is in effect may not exceed six months within a five-year period.

The Act requires that a work-share plan indicate whether it includes employer-sponsored training to enhance job skills. A work-share plan also must allow employees in the work unit to participate in federally funded training opportunities. An employee receiving benefits under a work-share program must be available for the normal hours of work and any additional hours needed for approved training.

The Act directs DWD to seek federal funding for the costs of UI benefits for participating employees and administration of work-share programs. The DWD Secretary may waive compliance with any requirement under the Act if the Secretary determines the waiver is necessary to permit continued certification of the state's work-share system to maximize federal funding.

This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature's Web site at: http://www.legis.wisconsin.gov.

Under the Act, a person working reduced hours under a work-share program may simultaneously engage in other work with employers other than the employer that created the work-share program. However, a person is not eligible for UI benefits for any week in which the person's total work hours, for all employers, exceeds 90% of the person's normal average hours of work for the employer that created the work-share program.

Effective date: Act 11 takes effect June 30, 2013, but DWD may, subject to oversight by the Joint Committee on Finance, delay the implementation of the bill until no later than December 31, 2013.

Prepared by: Jessica Ozalp, Staff Attorney

May 24, 2013

JO:jb;ty